GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:5321
ANSWERED ON:29.04.2005
ROYALTY FOR IRON ORE
Gandhi Shri Pradeep;Shukla Smt. Karuna

Will the Minister of MINES be pleased to state:

(a) when the royalty was fixed on iron ore and the average market price of the iron ore at that time;

(b) the percentage of per tonne amount of royalty as compared to the average market price of the iron ore last time when the royalty of it was being fixed;

(c) the date on which royalty of iron ore was fixed prior to October, 2004 and the percentage of average market price to the amount of royalty at the time of its determination;

(d) whether the percentage of market price of royalty fixed in October, 2004 was very less in comparison to the percentage of royalty fixed before;

(e) if so, the reasons therefor; and

(f) the steps taken by the Government to revive it?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. DASARI NARAYANA RAO)

(a) to (d). Royalty on iron ore was last fixed vide Gazette notification dated 14.10.2004. In case of iron ore, there are large number of grades based on both chemical composition and physical characteristics with varying prices. Royalty on iron ore is charged on tonnage basis and not on the percentage of average market price thereof. Prior to 2004, royalty rates on minerals including iron ore were notified on 12.9.2000. Rates of royalty on tonnage basis of different grades of iron ore have been enhanced in 2004 in comparison to the rates notified in 2000 as follows:

Year	2000	2004
Iron ore		
(i) Lumps:		
a) with 65% Fe content or more	Twenty four rupees and fifty paise per tonne.	Twenty seven rupees per tonne.
b) with 62% Fe content or more but less than 65% Fe content	Fourteen rupees and fifty paise per tonne.	Sixteen rupees per tonne.
c) with less than 62% Fe content	Ten rupees per tonne.	Eleven ruppes per tonne
d) Less than 60 per cent Fe content	Seven rupees per tonne.	

(ii) Fines:

a) With 65% Fe content or more	Seventeen rupees per tonne.	Nineteen rupees per tonne.
b) With 62% Fe content or more but less than 65% Fe content	Ten rupees per tonne.	Eleven rupees per tonne.
c) with less than 62% Fe content	Seven rupees per tonne.	Eight rupees per tonne.
iii) Concentrates prepared by beneficiation and/or concentration of low grade ore containing 40% Fe or less.	Three rupees per tonne.	Four rupees per tonne.

(e) & (f). In view of reply to (a) to (d) do not arise.